



Wisconsin State Senate
John Lehman
Senator – 21st District

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Testimony of State Senator John Lehman
Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief and Revenue
April 13, 2009
Senate Bill 132

Chair Erpenbach and members of the committee thank you for the opportunity to provide comments on Senate Bill 132, legislation allowing the City of Racine to extend the life of TID #2 for up to ten years.

The tax incremental district which is at issue in this bill has been a very valuable part of Racine's redevelopment strategy and helped to facilitate a significant revival in our downtown area. New value, jobs and community amenities have been created over the life of the TID.

This district still includes one of the best - if not last - opportunities for significant redevelopment along the Lake Michigan shoreline in the City of Racine.

In order to not miss this opportunity, our City Development Director and other Racine officials, Representative Mason, Representative Turner, with the input of the Department of Revenue, have worked to put together this very limited exception to the TID law.

Quite honestly if it not for the subprime lending crisis and real estate market troubles we may very well not be here today asking for an extension of TID # 2. It was just over a year ago that the city's largest development ever - proposed for the old Walker Manufacturing site within the TID boundaries - fell through. The plan for "Pointe Blue" was to develop \$200 million plus of housing, retail and office space and a marina on the nearly 20 acre site

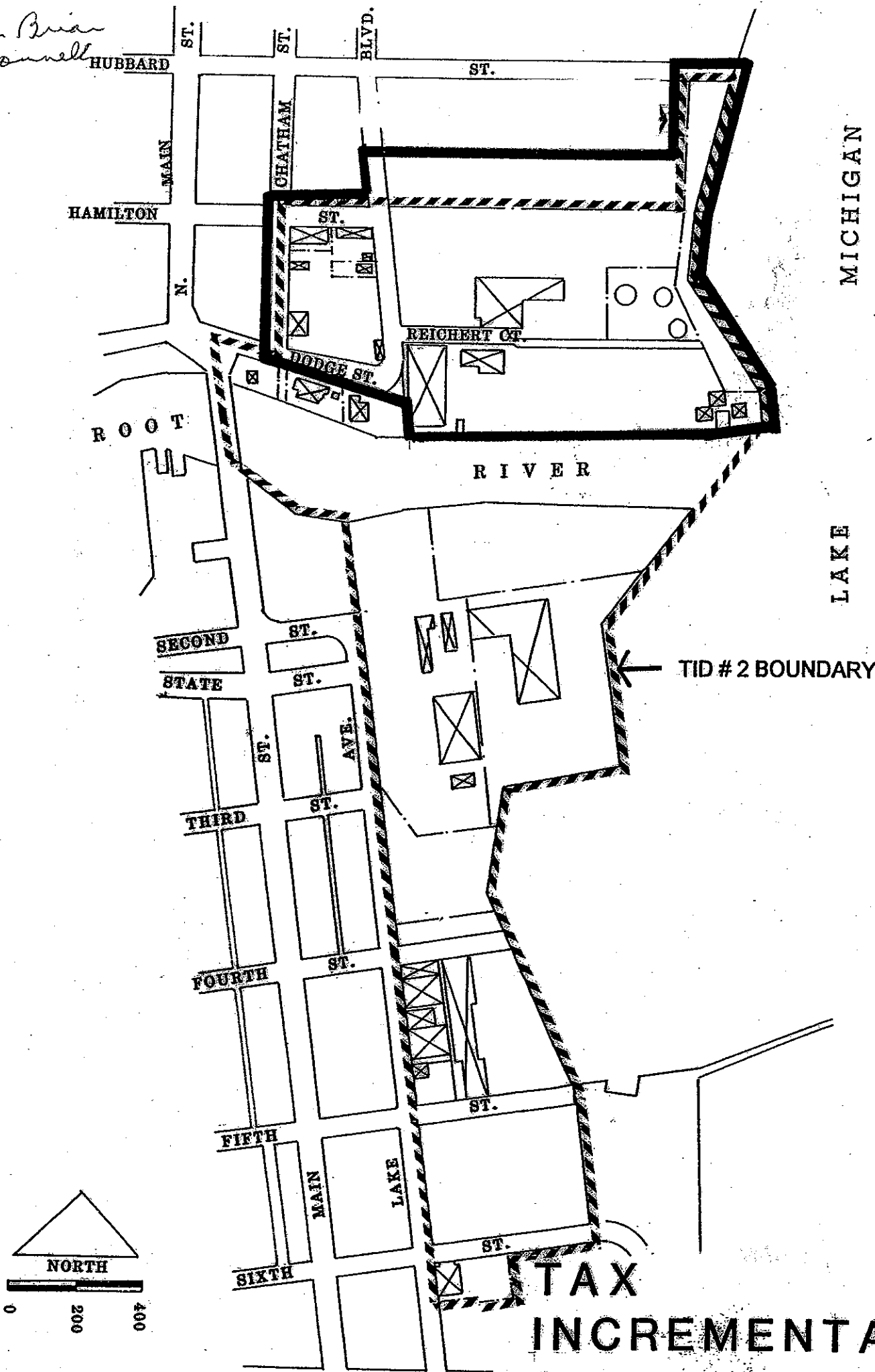
While a great deal of work had been done on the project the total extent of remediation and other improvements necessary on this parcel are unknown. Given its history as a manufacturing site it is reasonable to presume the amount of work needed will be significant. The term of extension - ten years- proposed by this legislation will help make sure the city is in a financial position to address these needs.

Over the years a number of serious and very legitimate concerns about how and where tax increment financing has been used.

No such concerns exist here. It is fair to say that use of tax increment by the City of Racine in this case really exemplifies the intent of granting local governments this tool. Approval of this SB 132 will help us create jobs and enhance property values in Racine through a high-density, urban infill development on a blighted property that probably would not otherwise occur in an economically distressed area.

I hope you'll help us in our efforts in the City of Racine by giving committee approval to Senate Bill 132.

from Brian
& Connell



MICHIGAN

LAKE

TID # 2 BOUNDARY

TAX
INCREMENTAL
DISTRICT NO. 2